

4. Inflation on prescriptions has been increasing annually at a current rate of 14% for FY 2000 and 15% for FY 2001, and projected at 15% for FY 2002 and 16% for FY 2003. These increases are anticipated to continue, which create a long-range impact of increasing costs.
5. Estimates based on current service data indicate the University Health Services would provide 10 Norplant and 66 Depopravera prescriptions in FY 2003. Other methods are not prescribed at a rate that is material. In FY 1999, the annual cost for a Norplant prescription was \$465. The annual cost for a Depopravera prescription was \$160. For 10 Norplant and 66 Depopravera equates to a FY 1999 cost of \$15,210.
5. Multiplying the FY 1999 cost by the inflation factor indicated in assumption #4, these prescriptions would cost \$26,370 in FY 2003.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
State of Montana, as employer		
<u>Expenditures:</u>		
Benefits	195,221	428,600
<u>Funding:</u>		
Other	195,221	428,600
<u>Revenues:</u>		
Other (Internal Service Funds)	0	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other	(195,221)	(428,600)
University units		
<u>Expenditures:</u>		
Benefits	0	26,370
<u>Funding:</u>		
Other (Internal Service Funds)	0	26,370
<u>Revenues:</u>		
Other (Internal Service Funds)	0	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other	0	(26,370)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Benefit coverage for members of county or local governments could be assumed to increase approximately the same per employee per month, as they would under the state health plan. The per member per month cost increase would depend upon the size of the affected plans and their co-pay amounts. Taken statewide, counties could experience as much as \$200,000 annual increase in county-paid benefits for employees. A similar increase in paid benefits would occur in local governments.

LONG-RANGE IMPACTS:

With current pharmacy inflation rates of 14-16% annually, costs over time will increase yearly.